

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



MEMO

To: ABAG Executive Board
From: Paul Fassinger, ABAG Research Director
Christy Riviere, Senior Planner
Date: March 4, 2008
Subject: RHNA Appeals and Committee Recommendation

Summary

Five jurisdictions have appealed their draft RHNA allocations. The Appeals Committee designated by the Executive Board held its meeting on February 27 where it reviewed the written appeals, the methodology's technical documentation and a staff memo. Each of the jurisdictions was given an opportunity to make an oral presentation to the committee. The committee also asked questions of the jurisdictions and staff.

The Committee recommends that the Executive Board reject three of the appeals, grant one appeal, and grant a second appeal under the condition that a transfer would be negotiated prior to the March Executive Board meeting.

The remainder of the memo describes the appeals, including the discussion in the meeting and the committee's subsequent recommendations.

City of Berkeley

The City argued that the methodology failed to consider the impacts of the university as required by State law, and believes that appropriate consideration of this factor would reduce the City's allocation by 481 units. This would occur by excluding a significant portion of U.C.'s employment, employment growth, and household growth from each of the allocation factors.

In its appeal letter, and in another letter given to the committee at its meeting, the City contends that there was little formal consideration of this factor at the Housing Methodology Committee. The Technical Documentation of the Regional Housing Needs Allocation Methodology indicates that, essentially, this issue was not taken into account as an explicit factor because "the existence of universities and resulting student populations are included in ABAG's household population estimates." The City further argues that the impact of the university goes beyond the student population, and includes the university's employees and its impact on Berkeley's housing.

Staff noted that a letter was sent to City Managers and County Executives on December 8, 2006 that requested comments on the draft methodology and the impact of local student populations. Several responses were received including one from the City of Berkeley. The issue was discussed briefly at the Housing Methodology Committee Meeting of January 4, 2007. While the

survey and discussion in the technical documentation focused on student populations, the Housing Methodology Committee reviewed the city's comments and the law and recommended that no explicit factor was needed. Further, the Executive Board considered the issue as part of the city's revision request.

The city agrees that while the law does not call for an explicit factor in the methodology, an adjustment to the allocation for Berkeley is appropriate. The chosen methodology actually magnifies the impact of the university on the City's housing. Again, staff responded that the issue had been considered and appropriately rejected.

Finally the city argues that the impact of the university was not taken into account in the ABAG household population estimates because no adjustment to the allocation was made. Staff responded that the impacts of the university were appropriately accounted for in the forecast. Students living in, or expected to live in group quarters were excluded from household estimates. University employment is appropriately accounted for within the city. As a separate matter, the Housing Methodology Committee, and Executive Board, did not choose to make any adjustment to the RHNA allocation for the city.

While the appeals committee felt that the State of California should take responsibility for the impacts of its university on the local community, and noted that some private universities have developed more productive relationships with their local communities on housing issues, it supported the staff's view and voted 4-1 to recommend rejecting the appeal.

City of Palo Alto

The City believes that its RHNA allocation is unachievable due to limited land and infrastructure constraints. The City believes that its school district is at capacity and the impact of the additional housing cannot be accommodated with existing facilities and budgets.

In part the City believes that the underlying growth forecast is too high. We should judge future growth by a longer period of historical growth, and de-emphasize its recent history. It also takes exception to parts of the RHNA methodology, and believes it should be given credit for its previous performance in this round of the RHNA process.

Given the cost of land in Palo Alto and the lack of funds to support affordable housing, the city considers the RHNA allocation an unfunded mandate. The city also believes that we have incorrectly assigned the TOD responsibility for the San Antonio station, which primarily serves Mountain View. As a result the city requests that we use a 3% population growth rate exclude the impact of the San Antonio station, adjust the transit factor to eliminate any double counting and credit the City with 1,036 units from the last RHNA cycle.

While the allocation is higher for Palo Alto in this cycle than in the last, it is consistent with the methodology adopted by the Executive Board. Similarly the forecast used to apply the methodology was the Projections 2007 forecast which was also adopted by the Executive Board. Affordable housing allocations are certainly challenging in almost every community. Each

community needs to have available sites and a well thought out program to meet this need, but they are not required to insure that construction takes place.

Staff has reviewed the methodology and the TOD impact of the San Antonio station was shared between Palo Alto and Mountain View because of its geographic location. The Housing Methodology Committee and ultimately the Executive Board rejected the idea of using the results from the previous RHNA cycle as a factor in this cycle.

While the appeals committee believes that credits for prior housing production is an issue that is important, and recommends that the Executive Board consider including this issue in future allocations, it was unwilling to make changes to the current allocation for Palo Alto and recommends rejecting its appeal on a 5-0 vote.

City of Emeryville

The City has been a leader in housing production at all income levels. It was able to exceed its goals in the last round of the RHNA process. Its new allocation is much higher than in the previous round. The City believes that it should receive credit for its previous performance.

The City does not believe that it will continue to see production at recent levels due to the downturn in the residential real estate market, and the desire on the part of the city to create a variety of land uses that include residential, commercial, light industrial, parks and community facilities. The city does not believe that its allocation should be raised beyond its past allocation of 777.

Again the Housing Methodology Committee and ultimately the Executive Board rejected the idea of using the results from the previous RHNA cycle as a factor in this cycle. Each community is required to plan for the assigned housing allocation, but they are not required to build them. The alternative land uses that would be preferred by the city are not a sufficient basis to appeal the allocation.

As previously indicated, the appeals committee believes that credits for prior housing production is an issue that is important, and recommends that the Executive Board consider including this issue in future allocations, it was unwilling to make changes to the current allocation for Emeryville and recommends rejecting its appeal on a 5-0 vote.

City of Belvedere

The City is asking for a reduction of 8 housing units from its current RHNA allocation. After discussions with ABAG staff over the last two years, the City believes that there are several errors in the calculations of the Projections 2007 forecast for Belvedere, that would in turn, effect the RHNA allocation. Those errors include, the assignment of jobs from the unincorporated area of Census Tract 1242 to the City of Belvedere; the assignment of jobs from a tiny portion of Census Tract 1242 to the City of Belvedere; inaccurate household growth calculations due to flawed housing data from the Department of Finance and ABAG's local

policy survey; the disparate effect of ABAG's rounding procedure on a jurisdiction the size of Belvedere.

The City argues that we have not met the statutory requirements for the RHNA methodology. That it must be based on readily available data, and that the proposed methodology, relevant underlying data, assumptions and an explanation of how information about local government conditions is used in the methodology must be provided to each jurisdiction.

It further indicates that the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities was not considered in the development of Belvedere's RHNA.

Particularly the city raised questions about city data that ABAG relied on from the California Department of Finance, the U.S. Census and Marin County's land use database. It argued that the land referenced by the database is unusable and the trend in household growth is overstated.

The appeals committee accepted the city's arguments. The staff failed to adequately consider the information provided by the city. The committee does not believe that an allocation should be made based upon data that is shown to be in error. It recommends accepting the city's appeal on a 5-0 vote.

The 8 units will be reallocated proportionately to all local governments, except for those participating in the San Mateo subregional RHNA. Given the size of the reallocation and the need to reassign whole units and not percentages of units, the only jurisdictions with a large enough share of the allocation to see a change are San Jose and San Francisco. Those jurisdictions receive one additional unit in each of the four income categories.

City of Mountain View

The City has three technical reasons that it is appealing its RHNA allocation. First, the City lacks control over Moffett Field, which is entirely in the unincorporated County and under Federal jurisdiction. The City should not be affected by areas outside its jurisdiction and control. Second, NASA Ames is committed to providing housing on the site, but the city cannot insure that the units will be fully planned for during the RHNA period. Finally, the allocation is inconsistent with the methodology used for Palo Alto, which Stanford's impact was assigned to the County even though the university is within the City's sphere of influence. If NASA Ames remains part of the allocation to Mountain View, then the Department of Housing and Community Development (HCD) should attribute any housing planned and built there to Mountain View

As directed by the Executive Board, the staff has been working diligently with Mountain View, the County of Santa Clara and the (HCD) to resolve this issue. Everyone believes that the jurisdiction assigned the impact of NASA Ames in the RHNA allocation should also be able to use planned development at NASA Ames to help meet that allocation. The County has agreed to take responsibility for these units under a transfer agreement with the City of Mountain View.

HCD has indicated that it would credit appropriately planned development at NASA Ames to the county under those circumstances.

The appeals committee believes that this is an appropriate resolution of the issue. It recommends that Mountain View's appeal be accepted, based on the understanding that a transfer agreement can be made prior to the March Executive Board meeting.

**Proposed Final Regional Housing Needs Allocation
March 5, 2008**

	Very Low <50%	Low <80%	Mod <120%	Above Mod	Total
ALAMEDA	482	329	392	843	2,046
ALBANY	64	43	52	117	276
BERKELEY	328	424	549	1,130	2,431
DUBLIN	1,092	661	653	924	3,330
EMERYVILLE	186	174	219	558	1,137
FREMONT	1,348	887	876	1,269	4,380
HAYWARD	768	483	569	1,573	3,393
LIVERMORE	1,038	660	683	1,013	3,394
NEWARK	257	160	155	291	863
OAKLAND	1,900	2,098	3,142	7,489	14,629
PIEDMONT	13	10	11	6	40
PLEASANTON	1,076	728	720	753	3,277
SAN LEANDRO	368	228	277	757	1,630
UNION CITY	561	391	380	612	1,944
UNINCORPORATED	536	340	400	891	2,167
ALAMEDA COUNTY	10,017	7,616	9,078	18,226	44,937
ANTIOCH	516	339	381	1,046	2,282
BRENTWOOD	717	435	480	1,073	2,705
CLAYTON	49	35	33	34	151
CONCORD	639	426	498	1,480	3,043
DANVILLE	196	130	146	111	583
EL CERRITO	93	59	80	199	431
HERCULES	143	74	73	163	453
LAFAYETTE	113	77	80	91	361
MARTINEZ	261	166	179	454	1,060
MORAGA	73	47	52	62	234
OAKLEY	219	120	88	348	775
ORINDA	70	48	55	45	218
PINOLE	83	49	48	143	323
PITTSBURG	322	223	296	931	1,772
PLEASANT HILL	160	105	106	257	628
RICHMOND	391	339	540	1,556	2,826
SAN PABLO	22	38	60	178	298
SAN RAMON	1,174	715	740	834	3,463
WALNUT CREEK	456	302	374	826	1,958
UNINCORPORATED	815	598	687	1,408	3,508
CONTRA COSTA COUNTY	6,512	4,325	4,996	11,239	27,072
BELVEDERE	5	4	4	4	17
CORTE MADERA	68	38	46	92	244
FAIRFAX	23	12	19	54	108
LARKSPUR	90	55	75	162	382
MILL VALLEY	74	54	68	96	292
NOVATO	275	171	221	574	1,241
ROSS	8	6	5	8	27
SAN ANSELMO	26	19	21	47	113
SAN RAFAEL	262	207	288	646	1,403
SAUSALITO	45	30	34	56	165
TIBURON	36	21	27	33	117
unincorporated	183	137	169	284	773
MARIN COUNTY	1,095	754	977	2,056	4,882

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March 5, 2008**

	Very Low <50%	Low <80%	Mod <120%	Above Mod	Total
AMERICAN CANYON	169	116	143	300	728
CALISTOGA	17	11	18	48	94
NAPA	466	295	381	882	2,024
ST HELENA	30	21	25	45	121
YOUNTVILLE	16	15	16	40	87
unincorporated	181	116	130	224	651
NAPA COUNTY	879	574	713	1,539	3,705
 SAN FRANCISCO COUNTY	 6,589	 5,535	 6,754	 12,315	 31,193
 SAN MATEO COUNTY	 3,588	 2,581	 3,038	 6,531	 15,738
 CAMPBELL	 199	 122	 158	 413	 892
CUPERTINO	341	229	243	357	1,170
GILROY	319	217	271	808	1,615
LOS ALTOS	98	66	79	74	317
LOS ALTOS HILLS	27	19	22	13	81
LOS GATOS	154	100	122	186	562
MILPITAS	689	421	441	936	2,487
MONTE SERENO	13	9	11	8	41
MORGAN HILL	317	249	246	500	1,312
MOUNTAIN VIEW	633	430	541	1,275	2,879
PALO ALTO	690	543	641	986	2,860
SAN JOSE	7,751	5,322	6,198	15,450	34,721
SANTA CLARA	1,293	914	1,002	2,664	5,873
SARATOGA	90	68	77	57	292
SUNNYVALE	1,073	708	776	1,869	4,426
unincorporated	191	150	179	290	810
SANTA CLARA COUNTY	13,878	9,567	11,007	25,886	60,338
 BENICIA	 147	 99	 108	 178	 532
DIXON	197	98	123	310	728
FAIRFIELD	873	562	675	1,686	3,796
RIO VISTA	213	176	207	623	1,219
SUISUN CITY	173	109	94	234	610
VACAVILLE	754	468	515	1,164	2,901
VALLEJO	655	468	568	1,409	3,100
unincorporated	26	16	18	39	99
SOLANO COUNTY	3,038	1,996	2,308	5,643	12,985
 CLOVERDALE	 71	 61	 81	 204	 417
COTATI	67	36	45	109	257
HEALDSBURG	71	48	55	157	331
PETALUMA	522	352	370	701	1,945
ROHNERT PARK	371	231	273	679	1,554
SANTA ROSA	1,520	996	1,122	2,896	6,534
SEBASTOPOL	32	28	29	87	176
SONOMA	73	55	69	156	353
WINDSOR	198	130	137	254	719
unincorporated	319	217	264	564	1,364
SONOMA COUNTY	3,244	2,154	2,445	5,807	13,650
 REGION	 48,840	 35,102	 41,316	 89,242	 214,500